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Wydler, Virginia; Schultz, Erin M.

Monterey, California. Naval Postgraduate School

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Conducting Viability Assessments to Streamline the Acquisition Process and Accelerate Adopting New Technology

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Virginia Wydler, The MITRE Corporation

Erin M. Schultz, The MITRE Corporation

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7515 Colshire Drive, McLean, VA 22102-7508

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Introduction

- **Rapidly adopting new technology can be difficult**
 - Protracted procurement process
 - Few ways to quickly assess new technology before award
 - Risky solutions may be discovered after award
- **Federal Procurement process - each proposal is evaluated with the same rigor, whether the solution is viable or not**
 - Government devotes time and resources to perform detailed assessments of non-viable bids
 - Companies spend proposal costs to participate in a source selection that they cannot win
- **Acquisition Professionals can conduct an early assessment of the “viability” of technical solutions**
 - (1) During the market research phase of acquisition planning, or
 - (2) As the first step of the source selection phase

Background

- **FAR Part 7 Acquisition Planning is designed to ensure Government meets its needs in the most effective, economical and timely manner**
 - Offers industry an opportunity to understand priorities
 - Procurement conferences, industry days, trade associations
- **Far Part 10, Market Research is designed to identify contractors win the capability to provide the requirement**
 - Offers Government understanding of industry capabilities
 - Offers Government the chance to refine requirement
- **FAR Part 15, Negotiation offers competitive strategies**
 - Traditional competition, formal proposals and evaluation
 - Multi-step competition, FAR 15.202 Advisory assessment

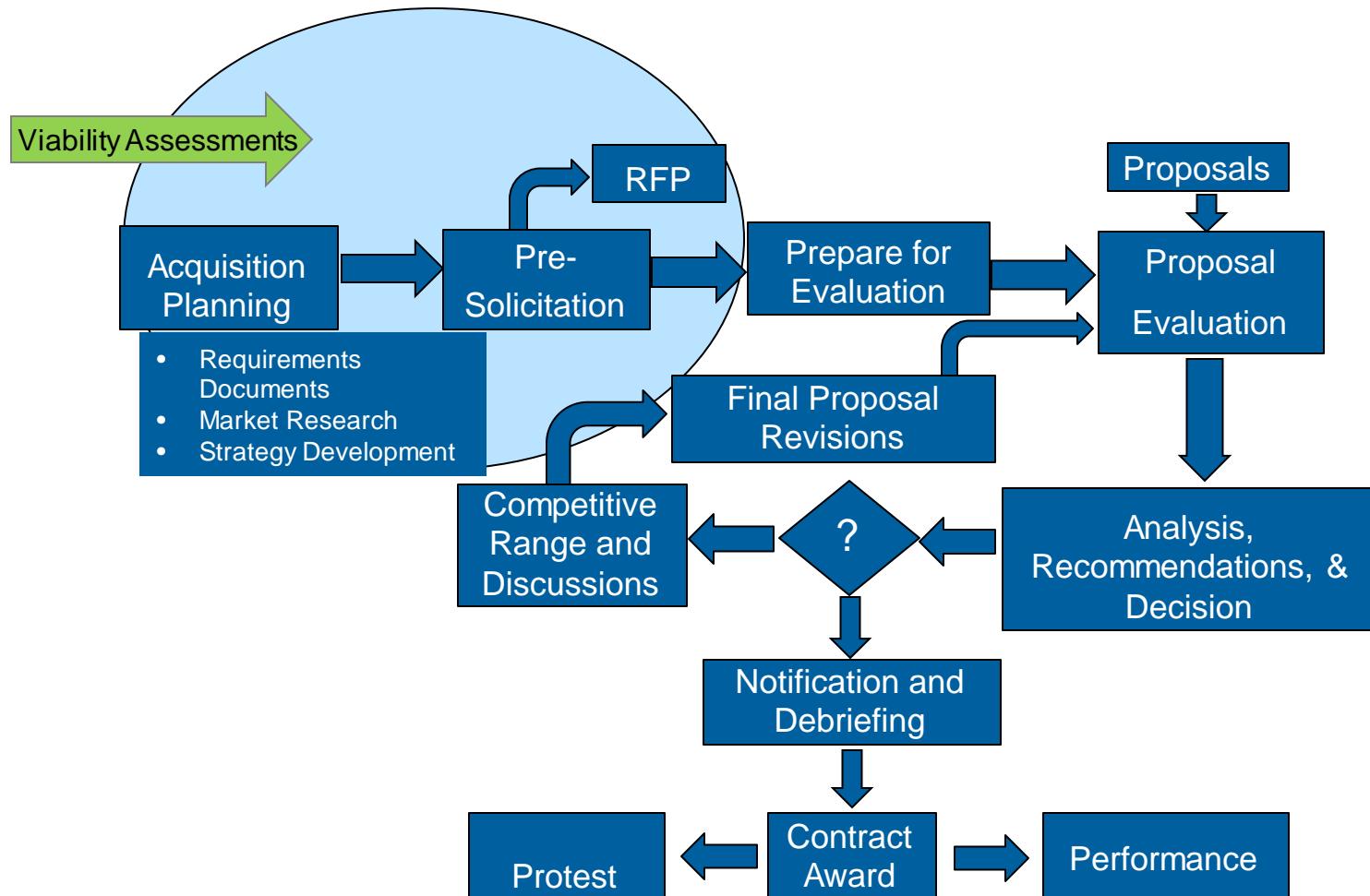
Acquisition Planning

- **Market Research – the Request for Information**
- **Traditional RFI asks for capability statements, size status**
 - Paper responses, evaluated to determine if there are sufficient qualified contractors to perform the work
 - Generally no feedback provided to industry
- **RFI with a viability assessment**
 - Assess capability based on a set of criteria, challenge, or scenario
 - Feedback provided on advisor basis
 - Feedback does not preclude industry from bidding on the formal solicitation
- **Early RFI assessment allows industry to decide if they would pursue the business, considering negative feedback**
 - Government also understands the art of the possible

Source Selection

- **Advisory Multi-Step Process (FAR 15.202)**
 - Part of the solicitation process, Step 1 advisory in nature
 - Allows industry to make informed decision to pursue competition
- **Agency publishes a pre-solicitation notice**
 - Industry must submit information that allows Government to advise offerors about their potential to be viable competitors
- **Step 1 - RFP provides criteria for initial assessment**
 - Agencies conduct the assessment based on that criteria
 - Agencies provide feedback to all respondents
- **Agency advises respondents which are not considered viable**
 - Respondents are advised that they are not restricted from participating in the next step of the source selection
- **Step 2 - Agency proceeds to formal source selection**

Acquisition Process



Designing a Viability Assessment

- **Define the Requirements**
 - Distinctive characteristics, quality attributes, system features
 - New Technologies (cyber, IA, blockchain, modularity, sensors)
- **Format for Responses**
 - White paper, response to scenario, demonstration
- **Evaluation Criteria and scoring**
 - Objective reference points based on characteristics (interfaces, integration, infrastructure, customization, emerging technology)
 - Ability to identify the most viable and least viable – and why
 - Pass/fail, adjectival score, risk level, uncertainty
- **Providing Feedback**
 - Companies advised they do not stand a good chance of success
 - Offeror is not discouraged from submitting an offer later

Measuring Value

| Metric | Used to Measure |
|-------------------------------------|--|
| Time to Award | Reduced lead time during source selection |
| Number of High-Capability Proposals | Reduced number of proposals that were not responsive to requirements, viability assessment showed vendors they could not meet requirements |
| Cost Control | Reduced cost of system with viable solutions |
| Number of Protests | Industry satisfaction with the process; clear and early feedback |
| Timely Performance | Contract performance resulting in shorter development and delivery timelines |
| Government/Contractor Relationship | <ul style="list-style-type: none"> • Partnership between government and contractor to solve technical problems in program delivery • Fewer technical changes or engineering change proposals, less rework • Positive impact on acquisition process • Confidence in the competitive process |

Viability Assessments in Practice

- **Department of Homeland Security (DHS) Investigative Case Management (ICM) System**
 - Objective: Modernize and simplify ICM technology infrastructure to improve data integration and data sharing
 - New system technology: web-enabled, data warehouse, application interfaces, enterprise integration
- **Advisory Multi-Step Process (used FAR 15.202 reference)**
 - RFP released to industry – Statement of Objectives (SOO)
 - Step 1 – Operational Capabilities Demonstration
 - Evaluation Factor: Maturity of Offeror's system to meet OCD
 - Preplanned Scenario, with criteria and acceptable level of risk
 - Offeror conducts OCD; Government operators execute OCD tasks
 - Results of Step 1 – advisory down-select

“Offerors who are notified that they are unlikely to be a viable competitor are encouraged to evaluate their likelihood of receiving an award and decision to continue to Step 2.”

Viability Assessments in Practice

- **Investigative Case Management (ICM) System**
 - Step 2 – Written Proposals, Performance Work Statement (PWS)
 - All offerors participating in Step 1 were eligible to participate in Step 2
 - Evaluation Factors: Technical Approach and Management Approach
 - Results of Step 2: Final award to one offeror for \$40M, with no protests
- **Step 1 conducted in 45 days**
 - RFP released 2 May 2014
 - OCD conducted 15-30 May 2014
 - Advisory Down-Select Notices Sent to Offerors 16 June 2014
- **Step 2 conducted in 90 days**
 - Proposals due 28 July 2014
 - Award made 26 Sep 2014

Ref: Contract HSCETC-14-C-00002

https://www.fbo.gov/index?s=opportunity&mode=form&id=36fb3b697a2ccb4ec7084b4e0ec6cdb9&tab=core&_cview=1

What makes the difference?

Streamline the Acquisition Process and Accelerate Adopting New Technology

- **RFP used a SOO and required the offeror to write their own PWS**
 - Less specifications allowed offerors flexibility in solution
 - Allowed new technology to be addressed in scenario
- **OCD included government users in the scenario demonstration**
 - Hands on experience by the customer with user feedback
 - Users could understand the new technology and its capability
- **Short schedule, award in five months**
 - Quick feedback allowed vendors to provide optimum proposals
 - Normal lead time would have been nine months to a year
- **Award was made to a clear winner**
 - DHS intended to make a multiple award contract
 - OCD narrowed the playing field to the single most viable solution
 - No protest

Conclusions

- **Viability assessments as an appropriate acquisition approach:**
 - Improves government knowledge of the marketplace to refine requirements
 - Provides an ability to rapidly evaluate and adopt new technology
 - Allows industry to judge their ability to be successful with actual feedback and advice from their customer
 - Encourages early engagement between government and industry, which can lead to better proposals in the final evaluation process
 - Complements the OSD *Open Systems Architecture Contract Guidebook for Program Managers*, Version 1.1, May 2013, Chapter 10, Vendor Lock, by providing another method to evaluate viability of software before RFP phase

References

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- 6. Gilligan, John, President, Schafer Corp., “Shrinking pool of prospective bidders increases acquisition agility,” AFCEA *Signal Magazine*, November 2016**
- 7. Office of Federal Procurement Policy (OFPP) Myth-Busting Memo Series, 2011, 2012, 2017**
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